

# SENATE BILL 1042

C7

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By: **Senator Colburn**

Introduced and read first time: February 24, 2012

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Gaming – Taking Delivery of, Possessing, or Transporting Slot Machines**

3 FOR the purpose of altering the circumstances under which a person may take  
4 delivery of, possess, or transport a slot machine for certain purposes to require  
5 the person to operate as a distributor or vendor of slot machines with or without  
6 a direct affiliation to a manufacturer; and generally relating to slot machines.

7 BY repealing and reenacting, without amendments,  
8 Article – Criminal Law  
9 Section 12–304  
10 Annotated Code of Maryland  
11 (2002 Volume and 2011 Supplement)

12 BY repealing and reenacting, with amendments,  
13 Article – Criminal Law  
14 Section 12–305  
15 Annotated Code of Maryland  
16 (2002 Volume and 2011 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article – Criminal Law**

20 12–304.

21 (a) In this section, “eligible organization” means:

22 (1) a nonprofit organization that:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) has been located in a county listed in subsection (b) of this  
2 section for at least 5 years before the organization applies for a license under  
3 subsection (e) of this section; and

4 (ii) is a bona fide:

- 5 1. fraternal organization;
- 6 2. religious organization; or
- 7 3. war veterans' organization; or

8 (2) a nonprofit organization that has been affiliated with a national  
9 fraternal organization for less than 5 years and has been located in a county listed in  
10 subsection (b) of this section for at least 50 years before the nonprofit organization  
11 applies for a license under subsection (e) of this section.

12 (b) This section applies in:

- 13 (1) Caroline County;
- 14 (2) Cecil County;
- 15 (3) Dorchester County;
- 16 (4) Kent County;
- 17 (5) Queen Anne's County;
- 18 (6) Somerset County;
- 19 (7) Talbot County;
- 20 (8) Wicomico County; and
- 21 (9) Worcester County.

22 (c) (1) In this subsection, a console or set of affixed slot machines is not  
23 an individual slot machine.

24 (2) Notwithstanding any other provision of this subtitle, an eligible  
25 organization may own and operate a slot machine if the eligible organization:

26 (i) obtains a license under subsection (e) of this section for each  
27 slot machine;

1 (ii) owns each slot machine that the eligible organization  
2 operates;

3 (iii) owns not more than five slot machines;

4 (iv) locates and operates its slot machines at its principal  
5 meeting hall in the county in which the eligible organization is located;

6 (v) does not locate or operate its slot machines in a private  
7 commercial facility;

8 (vi) uses:

9 1. at least one-half of the gross proceeds from its slot  
10 machines for the benefit of a charity; and

11 2. the remainder of the proceeds from its slot machines  
12 to further the purposes of the eligible organization;

13 (vii) does not use any of the proceeds of the slot machine for the  
14 financial benefit of an individual; and

15 (viii) reports annually under affidavit to the State Comptroller:

16 1. the income of each slot machine; and

17 2. the disposition of the income from each slot machine.

18 (d) An eligible organization may not use or operate a slot machine unless:

19 (1) the slot machine is equipped with a tamperproof meter or counter  
20 that accurately records gross receipts; and

21 (2) the eligible organization keeps an accurate record of the gross  
22 receipts and payoffs of the slot machine.

23 (e) (1) (i) The State Comptroller shall regulate the operation of slot  
24 machines under this section.

25 (ii) The State Comptroller may adopt regulations to implement  
26 the requirements of this section, including requiring audits of the annual reports  
27 submitted to the State Comptroller under subsection (c)(2)(viii) of this section.

28 (2) Before an eligible organization may operate a slot machine under  
29 this section, the eligible organization shall obtain a license for the slot machine from  
30 the State Comptroller.

- 1           (3)   (i)   The State Comptroller shall:
- 2                           1.    charge an annual fee for each license for a machine;
- 3   and
- 4                           2.    issue a license sticker to the applicant.
- 5           (ii)   The applicant shall place the sticker on the slot machine.
- 6                           (iii) The State Comptroller shall set the amount of the annual
- 7   fee so that the total proceeds of the annual fee equal an amount directly related to
- 8   administrative costs of the State Comptroller to regulate the operation of slot
- 9   machines under this section.
- 10           (4)   In the application to the State Comptroller for a license, one of the
- 11   principal officers of the eligible organization shall certify under affidavit that the
- 12   organization:
- 13                           (i)    is an eligible organization; and
- 14                           (ii)   will comply with this section.
- 15           (f)   (1)   A principal officer of the eligible organization may not intentionally
- 16   misrepresent a statement of fact on the application.
- 17                           (2)   A person who violates this subsection is guilty of perjury and on
- 18   conviction is subject to the penalty provided under Title 9, Subtitle 1 of this article.
- 19           (g)   The Comptroller may not issue a license for a slot machine to an eligible
- 20   organization located in Ocean City that is located east of South and North Baltimore
- 21   Avenues.
- 22   12-305.
- 23           (a)   A person may take delivery of, possess, or transport a slot machine to
- 24   demonstrate or sell the slot machine to a prospective customer who is allowed to
- 25   purchase a slot machine if the person:
- 26                           (1)   operates [with or under a distributorship contract with a
- 27   manufacturer of slot machines] **AS A DISTRIBUTOR OR VENDOR OF SLOT**
- 28   **MACHINES WITH OR WITHOUT A DIRECT AFFILIATION TO A MANUFACTURER;**
- 29                           (2)   is registered with the United States Department of Justice as a
- 30   distributor of slot machines; and
- 31                           (3)   has provided the Secretary of State Police with a copy of the
- 32   person's current federal registration.

1           (b)    A person who violates this section is guilty of a misdemeanor and on  
2 conviction is subject to imprisonment not exceeding 1 year or a fine of \$1,000 or both  
3 for each violation.

4           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 October 1, 2012.